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No. 99-1571

IN THE

Supreme Court of the United States

TRAFFIX DEVICES, INC.,
Petitioner,

v.

MARKETING DISPLAYS, INC.,
Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Sixth Circuit

BRIEF OF THE INTERNATIONAL TRADEMARK ASSOCIATION AS *AMICUS CURIAE* IN SUPPORT OF NEITHER PARTY

THEODORE H. DAVIS, JR.*
JERRE B. SWANN
ANNE GUNDELFINGER
JUDSON D. CARY
MARIE V. DRISCOLL
CLARK W. LACKERT
HELEN HILL MINSKER
The International Trademark Association
1133 Avenue of the Americas
New York, New York 10036-6710
(212) 768-9887

**Counsel of Record*

31 pp

TABLE OF CONTENTS

PAGE

INTRODUCTION 1

STATEMENT OF INTEREST OF THE AMICUS CURIAE 3

SUMMARY OF THE ARGUMENT 5

ARGUMENT 7

I. There Is No Necessary Inconsistency Created By The Trade Dress Protection Of Features Disclosed By A Utility Patent 7

A. Product Design Can Be Protectable Trade Dress 7

B. This Court has Recognized the Validity of Commerce Clause-Based Protection for Qualifying Product Features 9

C. The Prerequisites for Federal Trade Dress Protection Prevent a Conflict With the Federal Utility Patent Regime 10

II. Trade Dress Functionality Is The Relevant Inquiry 15

A. The Significance of the Nonfunctionality Requirement 15

B. The Significance of a Utility Patent to the Functionality Inquiry 16

III. Protection Of Nonfunctional And Distinctive Brand Signals Is Critical To The Competitive Process 21

CONCLUSION 22

TABLE OF AUTHORITIES

PAGE(S)

Cases

Anti-Monopoly, Inc. v. General Mills Fun Group, 684 F.2d 1316 (9th Cir. 1982) 3

Ashley Furniture Indus. v. Sangiacomo N.A., 187 F.3d 363 (4th Cir. 1999) 15

Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141 (1989) 14, 15

In re Borden, Inc., 92 F.T.C. 669 (1978), *aff'd, Borden, Inc. v. Fed. Trade Comm'n*, 674 F.2d 498 (6th Cir. 1982), *vacated and remanded*, 461 U.S. 940 (1983) 3

In re Bose Corp., 772 F.2d 866 (Fed. Cir. 1985) 18, 19

Brunswick Corp. v. British Seagull Ltd., 35 F.3d 1527 (Fed. Cir. 1994) 20

Brunswick Corp. v. Spinit Reel Co., 832 F.2d 513 (10th Cir. 1987) 17

In re Carr-Griff, Inc., 223 U.S.P.Q. 359 (T.T.A.B. 1984) 18

In re Caterpillar Inc., 43 U.S.P.Q.2d 1335 (T.T.A.B. 1997) 19

Century 21 Real Estate Corp. v. Nevada Real Estate Advisory Comm'n, 448 F. Supp. 1237 (D. Nev. 1978), *aff'd*, 440 U.S. 941 (1979) 3

Chrysler Corp. v. Silva, 118 F.3d 56 (1st Cir. 1997) 9

CIBA-GEIGY Corp. v. Bolar Pharmaceutical Co., 747 F.2d 844 (3d Cir. 1985) 17

Clamp Mfg. Co. v. Enco Mfg. Co., 870 F.2d 512 (9th Cir. 1989) 17

In re Clarke, 17 U.S.P.Q.2d 1238 (T.T.A.B. 1990) 8

College Sav. Bank v. Florida Prepaid Postsecondary Educ. Bd., 527 U.S. 627 (1999) 3

Compco Corp. v. Day-Brite Lighting, Inc., 376 U.S. 234 (1964) 10

Conopco, Inc. v. May Dept. Stores Co., 46 F.3d 1556 (Fed. Cir. 1994) 3

Dickinson v. Zurko, 527 U.S. 961 (1999) 3

Disc Golf Ass'n v. Champion Discs, Inc., 158 F.2d 1002 (9th Cir. 1998) 19

Duraco Prods., Inc. v. Joy Plastic Enters., 40 F.3d 1431 (3d Cir. 1994) 13

Epic Metals Corp. v. Souliere, 99 F.3d 1034 (11th Cir. 1996) 17

Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts, 944 F.2d 1235 (6th Cir. 1991) 17

Fuddruckers, Inc. v. Doc's B.R. Others, Inc., 826 F.2d 837 (9th Cir. 1987) 17

Fun-damental Too, Ltd. v. Gemmy Indus., 111 F.3d 993 (2d Cir. 1997) 13

Greenhouse Sys., Inc. v. Carson, 37 U.S.P.Q.2d 1748 (T.T.A.B. 1995) 18

Haymaker Sports, Inc. v. Turian, 581 F.2d 257 (C.C.P.A. 1978) 11

Imagineering, Inc. v. Van Klassens, Inc., 53 F.3d 1260 (Fed. Cir. 1995) 8

Industria Arredarenti Fratelli Saporiti v. Charles Craig, Ltd., 725 F.2d 18 (2d Cir. 1984) 17

Inwood Labs. v. Ives Labs., 456 U.S. 844 (1982) 12

J.C. Penney Co. v. H.D. Lee Mercantile Co., 120 F.2d 949 (8th Cir. 1941) 12

K Mart Corp. v. Cartier, Inc., 486 U.S. 281 (1988) 3

Kellogg Co. v. National Biscuit Co., 305 U.S. 111 (1938) 10

Kohler Co. v. Moen Inc., 12 F.3d 632 (7th Cir. 1993) 8, 11, 14, 22

Levi Strauss & Co. v. Blue Bell, Inc., 632 F.2d 817 (9th Cir. 1980) 22

Markman v. Westview Instruments, Inc., 52 F.3d 967 (Fed. Cir. 1995), *aff'd*, 517 U.S. 370 (1996) 18

Merchant & Evans v. Roosevelt Bldg. Prods. Co., 963 F.2d 628 (3d Cir. 1992) 17

Midwest Indus. v. Karavan Trailers, Inc., 175 F.3d 1356 (Fed. Cir. 1999) 14

In re Mogen David Wine Corp., 328 F.2d 95 (C.C.P.A. 1964) 15

In re Morton-Norwich Prods., Inc., 671 F.2d 1332 (C.C.P.A. 1982) 17, 20

Original Appalachian Artworks, Inc. v. Toy Loft, Inc., 784 F.2d 821 (11th Cir. 1982) 8

Preferred Risk Mutual Ins. Co. v. United States, 86 F.3d 789 (8th Cir. 1996) 3

Qualitex Co. v. Jacobson Prods. Co., 514 U.S. 159 (1995) 8

Ralston Purina Co. v. On-Cor Frozen Foods, Inc., 746 F.2d 801 (Fed. Cir. 1984) 3

Redd v. Shell Oil Co., 524 F.2d 1054 (10th Cir. 1975) 3

In re Reddi-Wip, Inc., 150 U.S.P.Q. 213 (T.T.A.B. 1966) 21

In re Shenango Ceramics, Inc., 362 F.2d 287 (C.C.A.P. 1966) 21

Sunrise Jewelry Mfg. Corp. v. Fred S.A., 175 F.3d 1322 (Fed. Cir. 1999) 13

Thomas & Betts Corp. v. Panduit Corp., 138 F.3d 277 (7th Cir. 1998) 12

Truck Equip. Serv. Co. v. Fruehauf Corp., 536 F.2d 1210 (8th Cir. 1976) 17

Two Pesos, Inc. v. Taco Cabana, Inc., 505 U.S. 763 (1992) 5, 8, 11, 12, 22

Tyco Indus. v. Tiny Love, Ltd., 914 F. Supp. 1068 (D.N.J. 1996) 18

Unital, Ltd. v. Sleepco Mfg., Ltd., 627 F. Supp. 285 (W.D. Wash. 1985) 13

United States v. E. I. Du Pont de Nemours & Co., 351 U.S. 377 (1956) 22

United States v. Steffens (The Trade-Mark Cases), 100 U.S. 82 (1879) 9

Vornado Air Circulation Sys., Inc. v. Duracraft Corp., 58 F.3d 1498 (10th Cir. 1995) 11, 20

Vuitton et Fils S.A. v. J. Young Enters., 644 F.2d 769 (9th Cir. 1981) 17

W.T. Rogers Co. v. Keene, 778 F.2d 334 (7th Cir. 1985) 14, 16

Wallace Int'l Silversmiths, Inc. v. Godinger Silver Art Co., 916 F.2d 76 (2d Cir. 1990) 21

Wal-Mart Stores, Inc. v. Samara Bros., 120 S. Ct. 1339 (2000) 3, 12

Warner-Jenkinson Co. v. Hilton-Davis Chem. Co., 520 U.S. 17 (1996) 18

Warnervision Entertainment Inc. v. Empire of Carolina, Inc., 101 F.3d 259 (2d Cir. 1996) 3

Wilhelm Pudenz GmbH v. Littelfuse Inc., 177 F.3d 1204 (11th Cir. 1999) 16

Zip Dee, Inc. v. Dometic Corp., 931 F. Supp. 602 (N.D. Ill. 1996) 12

Zippo Mfg. Co. v. Rogers Imports, Inc., 216 F. Supp. 670 (S.D.N.Y. 1963) 19

Statutes and Constitutional Provisions

Trademark Amendments Act of 1999, Pub. L. No. 106-43, 113 Stat. 218 (1999) 5

Trademark Law Revision Act, Pub. L. No. 100-667, 102 Stat. 3935 (1988) 4, 5, 10

Trademark Law Treaty Implementation Act, Pub. L. No. 105-330, 112 Stat. 3064 (1998) 5

15 U.S.C. § 1064 (1994) 19

15 U.S.C. § 1114 (1994) 15

15 U.S.C. § 1115 (1994) 19

15 U.S.C. § 1125(a) (1994) 4, 5, 16

15 U.S.C.A. § 1125(c) (West 1997 & Supp. 2000) 16

15 U.S.C.A. § 1127 (West 1997 & Supp. 2000) 9

35 U.S.C. § 101 (1994) 15

U.S. CONST., art. I, § 8, cl. 3 ..... 2, 11

U.S. CONST., art. I, § 8, cl. 8 ..... 11, 12

Other Authorities

133 Cong. Rec. S16347 (daily ed. Nov. 19, 1987) (statement of Sen. DeConcini) 5

134 Cong. Rec. S16974 (daily ed. Oct. 20, 1988) (statement of Sen. DeConcini) 4

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Restatement (Third) of Unfair Competition (1995) 13, 18

S. Rep. 100-515 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577 ..... 5, 10

S. Rep. 79-1333 (1946), *reprinted in* 1946 U.S.C.C.A.N. 1274 26

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ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

BRIEF OF AMICUS CURIAE THE INTERNATIONAL TRADEMARK ASSOCIATION IN SUPPORT OF NEITHER PARTY

INTRODUCTION

The International Trademark Association ("INTA"),[1] having obtained written consent of the parties pursuant to

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[1] This brief was not authored, in whole or in part, by counsel to a party and no monetary contribution to the preparation or submission of this brief was made by any person or entity other than the amicus curiae or its counsel. Neither petitioner nor respondent is a member of amicus curiae. One of the law firms representing petitioner, Hogan & Hartson L.L.P., is

Rule 37.3 of the Rules of this Court,[2] submits this brief as amicus curiae. INTA believes that the legal premise underlying the Court of Appeals' opinion—that there is no necessary conflict between trade dress protection and utility patent protection for the same design—is correct. Nevertheless, INTA questions whether the Court of Appeals properly accentuated the significance of a patentee's claims in the inquiry into whether the design at issue was impermissibly functional from a trade dress standpoint.

Beyond the Court of Appeals' general description and the disclosure of the respondent's utility patents, INTA is not familiar with the details of the parties' respective products, nor with the evidence on which the District Court and Court of Appeals relied. It thus does not take a position as to whether the Court of Appeals' decision should be affirmed. Instead, INTA's purpose in filing this amicus brief is to emphasize that: (a) this Court's prior decisions do not bar the extension of federal trade dress protection to product designs under the auspices of the Commerce Clause; (b) if properly applied, the prerequisites for trade dress protection preclude any statutory conflict between the federal Lanham Act and the federal utility patent statutes; (c) the disclosure contained in a utility patent nevertheless may be highly probative evidence of the underlying design's functionality, and concomitant ineligibility for trade dress protection; and (d) if a product feature serves as a nonfunctional and distinctive brand signal, its protection as trade dress serves the interests of competition.

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an associate member of INTA, but has not participated in the decision to submit this brief, in its preparation, or in its submission.

[2] The consents have been filed with the Clerk with this brief.

STATEMENT OF INTEREST OF THE AMICUS CURIAE

INTA is a not-for-profit organization whose more than 3,800 members have a special interest in trademarks. They include trademark owners, law firms, advertising agencies, package design firms and professional associations from the United States and 119 other countries. All share the goals of emphasizing the importance of trademarks and trademark protection, and of promoting an understanding of the essential role trademarks play in fostering informed decisions by consumers, effective commerce, and fair competition. INTA members frequently are participants in trademark litigation, and therefore are interested in the development of clear and consistent principles of trademark and unfair competition law. INTA has substantial expertise in trademark law and has selectively participated as an amicus curiae in cases involving significant trademark issues.[3]

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[3] Cases in which INTA has filed amicus briefs include: *Wal-Mart Stores, Inc. v. Samara Bros.*, 120 S. Ct. 1339 (2000); *College Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. 627 (1999); *Dickinson v. Zurko*, 527 U.S. 961 (1999); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992); *K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988); *WarnerVision Entertainment Inc. v. Empire of Carolina, Inc.*, 101 F.3d 259 (2d Cir. 1996); *Preferred Risk Mut. Ins. Co. v. United States*, 86 F.3d 789 (8th Cir. 1996); *Conopco, Inc. v. May Dep't Stores Co.*, 46 F.3d 1556 (Fed. Cir. 1994); *Ralston Purina Co. v. On-Cor Frozen Foods, Inc.*, 746 F.2d 801 (Fed. Cir. 1984); *Anti-Monopoly, Inc. v. General Mills Fun Group*, 684 F.2d 1316 (9th Cir. 1982), *cert. denied*, 459 U.S. 1227 (1983); *In re Borden, Inc.*, 92 F.T.C. 669 (1978), *aff'd sub nom. Borden, Inc. v. Fed. Trade Comm'n*, 674 F.2d 498 (6th Cir. 1982), *vacated and remanded*, 461 U.S. 940 (1983); *Redd v. Shell Oil Co.*, 524 F.2d 1054 (10th Cir. 1975), *cert. denied*, 425 U.S. 912 (1976); *Century 21 Real Estate Corp. v. Nevada Real Estate Advisory Comm'n*, 448 F. Supp. 1237 (D. Nev. 1978), *aff'd*, 440 U.S. 941 (1979).

INTA was founded in 1878 as the United States Trademark Association, in part to encourage the enactment of federal trademark legislation after the invalidation on constitutional grounds of this country's first trademark act. Since that time, INTA has been instrumental in making recommendations and providing assistance to legislators in connection with federal trademark legislation, including the Trademark Law Revision Act of 1988 ("TLRA"). *See* 134 Cong. Rec. S16974 (daily ed. Oct. 20, 1988) (statement of Sen. DeConcini). One significant revision included in the TLRA was the amendment of section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), to acknowledge the evolution of the section since 1946 "into a Federal law of unfair competition," 135 Cong. Rec. H10422 (daily ed. Oct. 19, 1989) (statement of Rep. Moorhead), protecting, *inter alia*, unregistered trademarks and trade dress. *See* S. Rep. No. 100-515, at 40 (1988), *reprinted in* 1988 U.S.C.C.A.N. 5577, 5603.

Another significant revision to the Lanham Act was the adoption of holdings by a majority of federal courts that all of the remedies available for infringement of registered marks are also available for infringement of unregistered marks and trade dress. TLRA §§ 127-30, 102 Stat. at 3943-45; *see also* 133 Cong. Rec. S16347 (daily ed. Nov. 19, 1987) (statement of Sen. DeConcini). Where appropriate, however, INTA has also encouraged the enactment of statutory revisions aimed at restricting overreaching trade dress claims, particularly those claiming protection for functional designs. *See* Trademark Amendments Act of 1999, § 5, Pub. L. No. 106-43, 113 Stat. 218, 220 (1999); Trademark Law Treaty Implementation Act, § 201(1)(2)-(5), Pub. L. No. 105-330, 112 Stat. 3064, 3069-70 (1998).

INTA has a particular interest in this case for three reasons. First, it wishes to highlight that the prerequisites for trade dress protection, if properly applied, preclude any conflict between federal trademark law and federal utility patent

law. Nor, for that matter, is there any necessary inconsistency between federal trade dress protection and the Constitution's Patent and Copyright Property Clause.

Second, in trade dress cases involving designs disclosed to some extent by a utility patent, there is a split among the approaches taken by the Courts of Appeals regarding the significance of the patent to the plaintiffs' claims. Most Circuits to have addressed the issue have held that the significance of a utility patent under these circumstances is limited to its probative value as factual evidence as to whether the underlying design is impermissibly functional for trade dress purposes. At least one Circuit, however, has held that the disclosure of a feature in a utility patent may disqualify that feature for trade dress protection, even if the feature otherwise meets the traditional trade dress requirements of distinctiveness and nonfunctionality.

Third, the question for which certiorari was granted provides the Court with an opportunity to clarify principles underlying both the trade dress protection to be afforded companies for the substantial investments often made in nonfunctional product designs, and the rights of competitors fairly to enter a market by adopting design elements in the public domain.

SUMMARY OF THE ARGUMENT

Whether or not a feature is addressed in a utility patent, the feature is eligible for protection when it meets the requirements for protection under the federal Lanham Act. Patent law protects invention. It does not, however, necessarily dictate appearance. If the ways in which an invention may be configured are limited, or if one configuration is more cost effective than others, then appearance is functional, and both the invention and its configuration pass into the public domain when the patent expires. If an invention nevertheless can be efficiently configured in many ways, and

if the patent owner has cultivated brand significance in its particular iteration of the invention, only the functional content of the invention is so dedicated.

Specifically, patent law requires that at the end of the statutory period, both the invention and its *necessary* configuration(s) are available to all. In contrast, trademark law provides that if there are alternative, cost-effective designs available to competitors, a qualifying design should be protected if, by doing so, consumers will be shielded from confusion in relying on a particular appearance to which they attach source significance.

The circumstances under which trade dress is eligible for protection against infringement are narrow: a claimant in an infringement case must demonstrate that (1) its design has been used in commerce as a brand signal; (2) the design is nonfunctional; (3) the design is a distinctive indicator of origin; and (4) the defendant's design is likely to cause confusion in the marketplace. Each of these prerequisites for relief has no equivalent under the federal utility patent statutes, and it is thus apparent that the extension of trade dress protection to product designs does not conflict with the utility patent regime. In the absence of a purely statutory conflict, it is equally apparent that there can be no constitutional conflict.

Because of the nonfunctionality requirement in particular, many product features that are disclosed at least to some degree by a utility patent will fail to qualify as protectable trade dress because they are unable to satisfy the *factual* prerequisites for protection. Nonetheless, it is inappropriate to suggest as a *legal* proposition, as has the Tenth Circuit Court of Appeals, that there is a *per se* prohibition on the trade dress protection of a design feature disclosed in a utility patent, even if that feature is nonfunctional and distinctive. Rather, the proper inquiry is whether the disclosure in the patent (and including the patent file wrapper or prosecution

history) constitute evidence of the functionality of the overlaying design features. The Court of Appeals in this case therefore correctly accepted as an underlying principle the proposition that, in a proper case, nonfunctional and distinctive product features can serve as trade dress, even if those features are disclosed in a utility patent.

It appears, however, that by addressing a patented feature as one of a "combination of . . . elements," the Court of Appeals may have failed to recognize the significance that claims of utility and competitive advantage in a patent may have to the inquiry into the functionality of the claimed trade dress. The District Court found that, except for a dual spring design, all elements of respondent's configuration were used by competitors. If, therefore, petitioner's copying of the spring design resulted from the limited ways that the invention could be implemented or from cost considerations, the District Court's summary disposition should have been affirmed, and the respondent was not entitled, by asserting that its trade dress was a "combination of elements," to require that defendant "find some other way to set its signs apart." If, on the other hand, "a hidden dual-spring mechanism or a tri or quad-spring mechanism" could efficiently and effectively "'create an entirely different look,'" respondent should have been permitted to offer evidence as to secondary meaning and likely confusion.

ARGUMENT

I. There Is No Necessary Inconsistency Created By The Trade Dress Protection Of Features Disclosed By A Utility Patent

A. Product Design Can Be Protectable Trade Dress

An analysis of the eligibility for trade dress protection of product features disclosed in a utility patent should begin with the recognition that product designs can, in fact,

constitute protectable trade dress. *See generally Kohler Co. v. Moen Inc.*, 12 F.3d 632 (7th Cir. 1993). Under the Lanham Act, a "trademark" may be "any word, name, symbol, or device, or any combination thereof" used by an owner "to identify and distinguish [its] goods . . . from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown." 15 U.S.C.A. § 1127 (West 1997 & Supp. 2000). When the mark in question consists of a nonverbal designation of origin, it is often referred to as "trade dress." As this Court has recognized, the distinction between "trademarks" and "trade dress" is often one of semantics. *See Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 773 (1992) ("[T]he protection of trademarks and trade dress . . . serves the same statutory purpose of preventing deception and unfair competition.").

In its most common form, trade dress consists of the packaging and labels for a particular product. *Original Appalachian Artworks, Inc. v. Toy Loft, Inc.*, 684 F.2d 821, 831 (11th Cir. 1982) ("[T]he majority of trade dress claims involve a manufacturer's container or packaging . . . ."). Trade dress can also consist of the appearance of buildings, *Two Pesos*, 505 U.S. 763, a single color, *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995), a fragrance, *In re Clarke*, 17 U.S.P.Q.2d 1238 (T.T.A.B. 1990), a sound, *In re General Elec. Broad. Co.*, 199 U.S.P.Q. 560 (T.T.A.B. 1978), or unique sales techniques. *See Original Appalachian Artworks*, 684 F.2d at 831.

It is also obvious that in proper cases aspects of a product's appearance can constitute protectable trade dress. *See, e.g., Imagineering, Inc. v. Van Klassens, Inc.*, 53 F.3d 1260 (Fed. Cir. 1995) (furniture); *Kohler Co. v. Moen Inc.*, 12 F.3d 632 (7th Cir. 1993) (water faucet). In enacting the Trademark Law Revision Act of 1988, Congress sought to codify the judicial extension of trade dress protection to product design under the Lanham Act. *See* S. Rep. 100-515,

at 44, 1988 U.S.C.C.A.N. at 5607. Indeed, with respect to some products, *e.g.*, automobiles, a visibly unique design can operate as efficiently as a word mark in distinguishing one source from another. *See, e.g., Chrysler Corp. v. Silva*, 118 F.3d 56, 57 (1st Cir. 1997) ("[T]here is enormous competition that depends upon the body appearance of automobiles."). The extension of trade dress protection to product designs is thus neither a novel development in the law of unfair competition, nor is it one outside the contemplation of Congress.

B. This Court has Recognized the Validity of Commerce Clause-Based Protection for Qualifying Product Features

In appropriate cases, the extension of trade dress protection to product features creates no constitutional issue, even if those features are disclosed in a utility patent. In 1879, this Court invalidated the first federal trademark statute enacted under the auspices of the Patent and Copyright Clause, U.S. CONST. art. I, § 8, cl. 8, on the ground that trademarks constituted neither "writings" nor "discoveries" within the meaning of that clause. *United States v. Steffens (The Trade-Mark Cases)*, 100 U.S. 82, 94 (1879). In doing so, however, the Court pointedly noted that federal legislation to protect brand signals would withstand constitutional scrutiny if enacted pursuant to Congress' plenary authority under the Commerce Clause, U.S. CONST., art. 1, § 8, cl. 3. *See id.* at 94-95.

The protectability under the auspices of the Commerce Clause of brand signals consisting of product features appears even in those opinions of this Court that have placed limits on that protection. Although the Court properly has recognized that the expiration of a utility patent will dedicate to the public *the subject matter of the patent's claims*, this dedication has never been extended to create an unfettered

right to copy without regard to the risk of consumer confusion. Thus, for example, *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938), did not hold that the claimant's shredded wheat configuration was in the public domain merely because the utility patent that disclosed the process for manufacturing the configuration had expired. Rather, the Court's conclusion turned as well on its conclusion that "[t]he evidence is persuasive that this form is functional—that the cost of the biscuit would be increased and its high quality lessened if some other form were substituted for the pillow-shape." *Id.* at 122. Were the Patent and Copyright Clause dispositive of the inquiry, the Court would have had little reason to address the issue of the design's functionality. That it did so, however, reflects the actual holding of *Kellogg* that "[s]haring in the goodwill of an article unprotected by patent *or trade-mark* is the exercise of a right possessed by all . . . ." *Id.* (emphasis added).

Likewise, in *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964), which addressed the protectability of a configuration covered by a design patent, this Court did not hold that the Patent and Copyright Clause creates an absolute right to copy that trumps all other forms of intellectual property protection. Rather, the Court noted that the "right" to copy created by the federal patent laws extended only to cases in which "the design is not entitled to a design patent *or other federal statutory protection.*" *Id.* at 238 (emphasis added). Properly framed, the issue is thus whether the Lanham Act constitutes just such a statute.

C. The Prerequisites for Federal Trade Dress Protection Prevent a Conflict With the Federal Utility Patent Regime

In the intervening three and a half decades, courts uniformly have recognized that the Lanham Act constitutes "other federal statutory protection" within the meaning of

Compco, culminating in *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992), in which this Court implicitly extended federal protection to "distinctive marks of all kinds, whether the claimed mark used distinctive words or symbols *or distinctive product design.*" *Id.* at 772 (emphasis added). During that time, the case law has "consistently held that a product's different qualities can be protected simultaneously, or successively, by more than one of the statutory means for protection of intellectual property." *Kohler*, 12 F.3d at 638.

The reason for this outcome lies in the prerequisites for relief under a trade dress infringement cause of action, which differ dramatically from their utility patent counterparts. Specifically, these prerequisites include:

1. *The Use In Commerce Requirement*: To qualify for protection, a claimed trade dress must be used in commerce as a brand signal. *See generally* Restatement (Third) of Unfair Competition § 18 (1995). This prerequisite for protection has no equivalent under utility patent law. *See, e.g., Haymaker Sports, Inc. v. Turian*, 581 F.2d 257, 261 (C.C.P.A. 1978) ("The owner of a trade-mark may not, like the proprietor of a patented invention, make a negative and merely prohibitive use of it as a monopoly.").

2. *The Distinctiveness Requirement*: Trade dress claimants also must demonstrate that their designs are recognized as distinctive brands, *see Two Pesos*, 505 U.S. at 768-70, a requirement that likewise has no counterpart under the federal utility patent regime. *See Kohler*, 12 F.3d at 638. The burden of demonstrating a product configuration's acquired meaning as a brand signal, largely overlooked by the Tenth Circuit in *Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498 (10th Cir. 1995), is not one to be taken lightly. Rather, as this

Court recently has recognized, consumers do not typically draw brand distinctions based on product shape. *See Wal-Mart Stores, Inc. v. Samara Bros.*, 120 S. Ct. 1339, 1344 (2000).[4]

3. The Nonfunctionality Requirement: To qualify as protectable trade dress, a product feature must be nonfunctional or, in other words, not essential to the use or purpose of the product or affecting the product's quality or cost. *Inwood Labs. v. Ives Labs.*, 456 U.S. 844, 850 n.10 (1982); *see also Qualitex*, 514 U.S. at 169; *Two Pesos*, 505 U.S. at 769. A functional design is equivalent to a generic word: it cannot be appropriated as trade dress by one competitor because it either cannot distinguish goods

[4] Indeed, the burden of showing an acquired meaning is even greater in cases in which the features claimed as trade dress are addressed by the claims of a utility patent:

> [W]hen a trade dress sought to be protected was formerly contained in a [utility] patent, evidence establishing secondary meaning must also show that any connection between the trade dress of the product and its producer does not primarily stem from the expired patent. This ensures that there is a true connection between the producer and the product in the minds of the consumers . . . .

Thomas & Betts Corp. v. Panduit Corp., 138 F.3d 277, 294 (7th Cir.), *cert. denied*, 525 U.S. 929 (1998) *accord Zip Dee, Inc. v. Dometic Corp.*, 931 F. Supp. 602, 615 (N.D. Ill. 1996) (discounting significance of exclusive use during pendency of utility patent on ground that "[i]t is no great trick to build up secondary meaning in a product configuration if the normal forces of competition are kept from utilizing that configuration for 17 years by the sword and shield of patent protection"); *see also J.C. Penney Co. v. H.D. Lee Mercantile Co.*, 120 F.2d 949, 954-55 (8th Cir. 1941) (discounting exclusive use during pendency of design patent application).

as originating from one source or is essential to communication and competition. *See generally Sunrise Jewelry Mfg. Corp. v. Fred S.A.*, 175 F.3d 1322 (Fed. Cir. 1999); *see also Fun-Damental Too, Ltd. v. Gemmy Indus.*, 111 F.3d 993, 1000-01 (2d Cir. 1997). This prerequisite again has no equivalent under utility patent law and, indeed, is at least to some degree antithetical to the requirement of 35 U.S.C. § 101 that a product feature have utility to qualify for patent protection.

4. The Likelihood of Confusion Test for Liability: Even if a plaintiff is able to qualify its design for trade dress protection by proving use in commerce, distinctiveness, and nonfunctionality, it must then prove liability. Liability in the infringement context requires a demonstration that the defendant's conduct has created a likelihood of confusion in the marketplace. 15 U.S.C. §§ 1114, 1125(a) (West 1997 & Supp. 2000).[5] Unlike the tests for infringement of a utility patent, the likelihood of confusion test in and of itself does not prevent the wholesale copying of a plaintiff's design. *See, e.g., Duraco Prods., Inc. v. Joy Plastic Enters.*, 40 F.3d 1431, 1448 (3d Cir. 1994) ("It is not ipso facto 'unfair competition,' we believe, for one boldly to copy a competitor's product . . . ."); *Unital, Ltd. v. Sleepco Mfg., Ltd.*, 627 F. Supp. 285, 292 (W.D. Wash. 1985) ("Even where the copying is identical, the inability of the public to tell two identical articles apart is not

[5] In addition to liability for infringement, federal law provides for relief against the dilution of famous and distinctive indicators of origin. *See* 15 U.S.C.A. § 1125(c) (West 1997 & Supp. 2000). The proper relationship between federal dilution and utility patent law, however, is not directly implicated by this case.

enough to support an injunction against copying."). Rather, "[o]thers can produce designs similar to the [claimed trade dress] so long as there is no likelihood of consumer confusion." *Kohler*, 12 F.3d at 643.

In light of these prerequisites, this Court properly recognized in *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989), that the tort of unfair competition "has been limited to protection against copying of nonfunctional aspects of consumer products which have acquired secondary meaning such that they operate as a designation of source." *Id.* at 158. Likewise, as one court has explained in comments equally applicable to utility patent law, "[t]he trademark owner has an indefinite term of protection, it is true, but in an infringement suit must . . . prove . . . likelihood of confusion, which the owner of a design patent need not do; there is therefore no necessary inconsistency between the two modes of protection." *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 337 (7th Cir. 1985). Trade dress and utility patent protection therefore

> "exist independently . . . under different law and for different reasons. The termination of either has no legal effect on the continuance of the other. When the patent monopoly ends, it ends. The trademark rights do not extend it. [There is] no provision of patent law, statutory or otherwise, that guarantees to anyone an absolute right to copy the subject matter of any expired patent. Patent expiration is nothing more than the cessation of the patentee's right to exclude held under the patent law."

Midwest Indus. v. Karavan Trailers, Inc., 175 F.3d 1356, 1362 (Fed. Cir.) (quoting *In re Mogen David Wine Corp.*, 328 F.2d 925, 930 (C.C.P.A. 1964)), *cert. denied*, 120 S. Ct.

527 (1999). Although rigorous application of the prerequisites for trade dress protection is essential to avoid undermining the federal patent regime, Restatement (Third) of Unfair Competition § 16 cmt. b (1995), no conflict between the two bodies of law exists if those requirements are honored.

II. Trade Dress Functionality Is The Relevant Inquiry

A. The Significance of the Nonfunctionality Requirement

Although the other prerequisites of (i) use in commerce, (ii) distinctiveness, and (iii) likelihood of confusion each distinguish federal trade dress law from utility patent law, courts traditionally have placed the greatest emphasis on nonfunctionality as the key to preventing a conflict between the two. "The functionality doctrine prevents trademark law, which seeks to promote competition by protecting a firm's reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature." *Qualitex*, 514 U.S. at 164. Thus, for example, the reason for the invalidation of the claimed trade dress in *Sears* was that the lower courts' recognition of trade dress protection in that case extended to "the functional aspects of a product which had been placed in the public commerce absent the protection of a valid patent." *Bonito Boats*, 489 U.S. at 156.

Following this Court's lead, all Circuits other than the Tenth that have addressed the issue have concluded that a requirement of nonfunctionality is sufficient, in and of itself, to prevent a statutory conflict between the federal trademark and utility patent regimes. *See, e.g., Ashley Furniture Indus. v. Sangiacomo N.A.*, 187 F.3d 363, 376 (4th Cir. 1999) ("[T]he trade dress rule that functional aspects of a product, although patentable, are not protectable as trade dress directly eliminates any conflict between patents for useful items and trade dress protection for product configura-

tion[s]."); *W.T. Rogers Co. v. Keene*, 778 F.2d 334, 337 (7th Cir. 1985) ("[P]rovided that a defense of functionality is recognized, there is no conflict with federal patent law."). Indeed, the rule precluding trade dress protection from attaching to functional features resolves any lingering constitutional issues as well. *See Wilhelm Pudenz GmbH v. Littelfuse Inc.*, 177 F.3d 1204, 1208 (11th Cir. 1999)

Moreover, although nonfunctionality long has been an extrastatutory requirement for trade dress protection, Congress recently has amended the Lanham Act to retain functionality as a defense even in cases in which the claimant's design is covered by an incontestable trademark registration. *See* 15 U.S.C.A. § 1115(b)(8) (West 1997 & Supp. 2000); *see also id.* § 1064(f) (providing for the cancellation "at any time" of federal trademark registrations covering functional material). Thus, the absence of a statutory conflict is now express.

B. The Significance of a Utility Patent to the Functionality Inquiry

Although the Court of Appeals properly recognized that the disclosure of a feature in a utility patent does not necessarily preclude that feature from qualifying as protectable trade dress, the court may have failed to provide the District Court with proper guidance on how to conduct the functionality inquiry on remand. INTA submits that the significance of a disclosed feature in a utility patent is two-fold: First, functionality cannot be determined as a matter of law by reference to the claims alone. Second, however, claims of utility nevertheless may be highly probative of functionality.

As to the former of these propositions, the complexity of the functionality inquiry poses an obstacle to any court attempting to resolve it as a matter of law based only on the claims of a patent. Not only has functionality historically been treated as a factual inquiry,[6] it is one that in many cases has turned on an application of various multi-factored tests that take into account considerations other than the existence of a related utility patent. Although there is no universal standard for functionality, a characteristic test is the one set forth in *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332 (C.C.P.A. 1982), which, in addition to the existence of a utility patent, considered the nature of the claimant's advertising, the existence of viable alternative designs, and economies of manufacture as relevant factors. *See id.* at 1341. Factors considered by other courts include the inherent utility of a design, the relationship between the claimed elements and the success of the associated goods or services, and the plaintiff's intent in adopting its design. *See, e.g., Merchant & Evans v. Roosevelt Bldg. Prods. Co.*, 963 F.2d 628, 634 (3d Cir. 1992); *Industria Arredarenti Fratelli Saporiti v. Charles Craig, Ltd.*, 725 F.2d 18, 19-20 (2d Cir. 1984); *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1218 (8th Cir. 1976). Consequently, the mere existence of a related utility patent always has been weighed in light of other extrinsic evidence standing outside of the patent's scope. *See, e.g., Clamp Mfg. Co. v. Enco Mfg. Co.*, 870 F.2d 512, 516 (9th Cir. 1989).

The legal, as opposed to factual, significance of a utility patent is limited by another aspect of the functionality inquiry. Functionality analysis presupposes that as product designs become more functional, they become more similar

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[6] *See, e.g., Epic Metals Corp. v. Souliere*, 99 F.3d 1034, 1037 (11th Cir. 1996); *Ferrari S.P.A. Esercizio Fabriche Automobili E Corse v. Roberts*, 944 F.2d 1235, 1246 (6th Cir. 1991); *Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 521 (10th Cir. 1987); *Fuddruckers, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837, 843 (9th Cir. 1987); *CIBA-GEIGY Corp. v. Bolar Pharmaceutical Co.*, 747 F.2d 844, 850 (3d Cir. 1984); *Vuitton et Fils S.A. v. J. Young Enters.*, 644 F.2d 769, 765 (9th Cir. 1981).

in appearance. In some cases, therefore, a finding of functionality may lie if there is one "best" design that realistically may be used by competitors. *See, e.g., Tyco Indus. v. Tiny Love, Ltd.*, 914 F. Supp. 1068, 1082 (D.N.J. 1996); *In re Carr-Griff, Inc.*, 223 U.S.P.Q. 359, 360-61 (T.T.A.B. 1984). In other cases, "[i]t is sufficient that the design [the trade dress claimant] seeks to [protect] is one of a few superior designs, or that the number of alternative designs is limited." *Greenhouse Sys., Inc. v. Carson*, 37 U.S.P.Q.2d 1748, 1754-55 (T.T.A.B. 1995); *see also In re Bose Corp.*, 772 F.2d 866, 872 (Fed. Cir. 1985).

In contrast, the concept of "utility" in a utility patent is not tied to the question of converging designs. Moreover, utility patents typically focus on how the design operates, not on its appearance. Indeed, utility patent law's doctrine of equivalents expressly recognizes the possibility that two designs may be arranged in entirely different manners and yet embody the same utility. *See generally Warner-Jenkinson Co. v. Hilton-Davis Chem. Co.*, 520 U.S. 17 (1997).

Of equal importance, in the utility patent context, "[a]n infringement analysis entails two steps. The first step is determining the meaning and scope of the patent claims asserted to be infringed. The second step is comparing the properly construed claims to the device accused of infringing." *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 976 (Fed. Cir. 1995) ("*Markman I*") (citation omitted), *aff'd*, 517 U.S. 370 (1996) ("*Markman II*"). As this Court has recognized as to the second step of this process, a comparison of a utility patent's claims to a particular device is a factual exercise peculiarly within the province of a jury. *Markman II*, 517 U.S. at 377 ("[T]here is no dispute that infringement cases today must be tried to a jury, as their predecessors were more than two centuries ago."); *see also Markman I*, 52 F.3d 984 ("[T]he patentee's right to a jury trial on the application of the properly construed claim to the accused

device is preserved as it was in 1791."). Consequently, the Tenth Circuit's practice of determining the eligibility for trade dress protection of a feature addressed by a utility patent merely by reviewing the patent itself stands on a shaky constitutional foundation.

Nevertheless, the existence of a related utility patent may have particularly probative force in the functionality inquiry, and the Court of Appeals in this case may have erred by failing to recognize the *factual* significance of the disclosure made in the patent to the eligibility of the features in question for trade dress protection. In particular, although the disclosure may not be dispositive, "[t]he existence of an expired utility patent is weighty evidence of functionality . . . ." *Disc Golf Ass'n v. Champion Discs, Inc.*, 158 F.3d 1002, 1006 (9th Cir. 1998); *see also Zippo Mfg. Co. v. Rogers Imports, Inc.*, 216 F. Supp. 670, 695 (S.D.N.Y. 1963) (finding plaintiff's configuration functional in part on basis of expired utility patent); *In re Caterpillar Inc.*, 43 U.S.P.Q.2d 1335, 1339 (T.T.A.B. 1997) ("The fact that the utility patent discloses the utilitarian advantages of applicant's . . . configuration design is strong evidence of the *de jure* functionality of the configuration in which applicant alleges trademark significance.").

Indeed, the significance of a utility patent may not be limited to what is recited in the claims themselves, if the functionality of the plaintiff's device is apparent in the patent's overall disclosure (including the patent prosecution history as well). *See In re Bose Corp.*, 772 F.2d 866, 872 (Fed. Cir. 1985). Here, respondent not only has recited allegations of utility in its claims, it also has alleged the following in one of its summaries of the invention:

> One of the problems which has been encountered in the past with . . . poster display

> devices is that they are frequently tipped over by the wind.
>
> . . . .
>
> The present invention overcomes this problem by providing a poster frame which is mounted to a base by a spring structure which permits the poster frame to be deflected downwardly rather than upwardly whereby the component of the wind force tending to tip the device is diminished as the wind velocity increases. Also, the dimensions and location of centers of gravity of the sign components are so dimensioned as to prevent tipping of the sign after deflection of the frame by the wind.

United States Patent No. 3,662,482.

Competitive advantage such as that alleged by respondent's patents is, of course, critical to the inquiry into the functionality of the underlying designs even under the approach taken by the Tenth Circuit Court of Appeals. *See Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498, 1507 (10th Cir. 1995). Indeed, "the 'crux' of the distinction between de facto and de jure functionality—determining eligibility for trademark protection or not—is a design's effect on competition." *Brunswick Corp. v. British Seagull Ltd.*, 35 F.3d 1527, 1531 (Fed. Cir. 1994) (citation omitted). Properly phrased, therefore, "[t]he public policy involved in this area of the law [is] not the *right* to slavishly copy articles which are not protected by patent . . ., but the *need* to copy those articles, which is more properly termed the right to compete effectively." *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1339 (C.C.P.A. 1982). The failure by the Court of Appeals in this case to appreciate the significance of the respondent's recitations in its patents as factual evidence therefore has provided this Court with the

opportunity to reinforce the importance of the entire disclosure of a utility patent in the inquiry into the degree of functionality attaching to the overlaying designs.

Specifically, the Court of Appeals appears, at least partially, to have avoided an assessment of the functionality of respondent's dual-spring design by treating it as only one of a combination of other functional elements and by suggesting that if petitioner chose to emulate the design, even for cost and quality reasons, it might "have to find some other way to set its sign apart." Not only is a combination of functional features still functional, *Wallace Int'l Silversmiths, Inc. v. Godinger Silver Art Co.*, 916 F.2d 76, 80 (2d Cir. 1990), but a claim should not lie when the only feature differentiating respondent's design from those of competitors is functional. *See, e.g., In re Shenango Ceramics, Inc.*, 362 F.2d 287 (C.C.P.A 1966); *In re Reddi-Wip, Inc.*, 150 U.S.P.Q. 213 (T.T.A.B. 1966). Stated differently, an assertion of similarity should not arise when a formerly differentiating, but functional feature becomes available for copying by reason of a patent's expiration.

III. Protection Of Nonfunctional And Distinctive Brand Signals Is Critical To The Competitive Process

In light of the stringent prerequisites for trade dress protection, relatively few product features, particularly those that are or have been simultaneously disclosed by the claims of a utility patent, will qualify. Yet, if the prerequisites are met, it does not serve the interests of competition to allow the emulation of the features despite their brand significance. Rather, the protection of trademarks, regardless of the form they may take, is "the essence of competition . . . . To protect trademarks, therefore, is to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will by

preventing their diversion from those who have created them to those who have not." S. Rep. No. 79-1333, at 3 (1946), *reprinted in* 1946 U.S.C.C.A.N. 1274, 1275.

Nonfunctional and distinctive elements added to a particular good, like a verbal trademark attached to it, are not monopolies in the underlying utilitarian good. *See Levi Strauss & Co. v. Blue Bell, Inc.*, 632 F.2d 817, 821 n.5 (9th Cir. 1980). On the contrary, they are brand signals, and no market has ever been defined as narrowly as a single brand. *See United States v. E. I. Du Pont de Nemours & Co.*, 351 U.S. 377, 393 (1956); *see also Kohler Co. v. Moen Inc.*, 12 F.3d 632, 637 (7th Cir. 1993) ("Significantly, while a patent creates a type of monopoly pricing power by giving the patentee the exclusive right to make and sell the innovation, a [product configuration] trademark gives the owner only the right to preclude others from using the mark when such use is likely to cause confusion or to deceive."). This Court's observation in *Two Pesos* that "[p]rotection of trade dress, no less than trademarks, serves the [Lanham] Act's purpose to secure to the owner of the mark the goodwill of his business and to protect the ability of consumers to distinguish among competing producers" therefore applies with equal force in this context. *See* 505 U.S. at 774 (internal quotation marks omitted). This Court therefore should not discourage competition in the interest of promoting it.

CONCLUSION

The touchstone of trade dress protection is the communication and appreciation of a nonfunctional distinguishing, source-identifying message. If the disclosure of a utility patent, in conjunction with other facts appropriately considered in the functionality inquiry, disclose that the design overlaying the patent's claims is functional in nature, claims to the design's protection as trade dress should be dismissed. Nevertheless, an excessive concern for competition through a

per se legal prohibition on the trade dress protection of designs disclosed in a utility patent, without an inquiry into whether they are nonfunctional, can actually undermine symbols on which consumers rely, and limit consumers' access to products of quality and variety.

Respectfully submitted,

Theodore H. Davis, Jr.*
Jerre B. Swann
Anne Gundelfinger
Judson D. Cary
Marie V. Driscoll
Clark W. Lackert
Helen Hill Minsker

**Counsel of Record*
The International
Trademark Association
1133 Avenue of the Americas
New York, New York 10036
(212) 768-9887